

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-330

April 26, 2000

CONSUMERS MAINE WATER COMPANY
Application for Approval of Issue
Of Securities (§ 902 & §1101)(\$2,000,000)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On April 12, 2000 the Consumers Maine Water Company (the Company) filed with the Commission its application for authority to issue its Series K first mortgage bonds in a sum not to exceed \$2,000,000 through the Maine Municipal Bond Bank, at an annual rate of 0.0 percent. The debt will be paid over a term not to exceed 30 years. Due to the fact that these transactions involve the issuance of first mortgage bonds, the Company also requires our approval to mortgage utility property pursuant to M.R.S.A. 35-A §1101. This Order approves the Company's request.

The Company requires these funds to finance improvements in the Hartland Division to bring the system into compliance with the Safe Drinking Water Act. To the extent that any savings are realized from this transaction, the Company will be required to pass them on to its customers, as agreed to in the stipulation in Docket No. 96-739, Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for Maine Municipal Bond Bank, Rural Economic & Community Development Administration and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the Company, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to §902 (4), the Commission does not imply approval of the Company's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That the Consumers Maine Water Company is hereby authorized to issue its Series K first mortgage bonds or notes in anticipation thereof in a sum not to exceed \$2,000,000 to be used solely for the purposes described in this Order, and at a rate of 0.0 percent through the Maine Municipal Bond Bank, under the State Revolving Loan Fund for a term not to exceed 30 years. We further certify that no other permits, issuances or approvals for the improvements to be financed with the Series K first mortgage bonds are required by the Commission.
2. To the extent that any savings are realized from this transaction, the Company will be required to pass them on to its customers, as agreed to in the stipulation in Docket No. 96-739, Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions.
3. That the Company report to the Commission, in writing its doings pursuant to the Order within sixty (60) days of the date of the issue of the proposed bonds, or by August 31, 2000, whichever may come first.
4. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 26th day of April, 2000.

BY ORDER OF THE ACTING DIRECTOR
OF FINANCE

Richard Kania
Acting Director of Finance

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

